Chairman Walden—Opening Statement
"Review of Emerging Tech's Impact on Retail Operations and Logistics"
Subcommittee on Digital Commerce and Consumer Protection

March 7, 2018

Good morning. Today we are examining the impact of technology on the retail industry and the delivery of goods and services to consumers. This hearing is part of this subcommittee's ongoing effort to explore the ways in which the digital revolution has impacted our economy and our country.

The internet's incredible ability to transform old ways of doing business is by now widely known. In the retail space, e-commerce has closed the gap between buyer and seller to the point where I can order anything, from anywhere, right on my phone. Customer demand has always driven changes in the retail industry. As we all know, "the customer is king (or queen)."

From the days of the earliest marketplaces, people would gather in person to barter or exchange money for goods. This model continued for thousands of years; in the U.S. "main street" became a metaphoric and literal place for shopkeepers to advertise and sell their wares.

This persisted until another innovation seriously pressured the old way of doing business—in 1956 the world's first completely indoor Mall opened in Minnesota, a concept that soon spread through the U.S. and eventually across the globe.

Starting in the 1990s the internet sparked yet another revolution in shopping, the impacts of which continue to unfold. The ability of the internet to remove barriers is as easy to understand as it is to pull out your phone and order pretty much anything you want—a sandwich for lunch, a pair of jeans, or a mattress. And you'll probably be able to find free 2-day shipping.

The internet allows buyers and sellers to communicate directly, compare products and prices, without ever leaving home.

The changes this has wrought continue to be felt across industries. Many of America's twelve hundred malls[1] are now feeling the same pressures that the Main Street general stores felt in the latter part of the 20th century.

At the same time, shoppers benefit from lower costs and greater choices. Revolutions in logistics allow Americans to find a product online, purchase it, and have it delivered to their homes in a few days, or even hours. Companies are experimenting with drones and other delivery options to narrow that time frame still further. Meanwhile, changes in manufacturing such as 3D printing hold the potential to allow on-demand creation of products from local "manufactories" that could revolutionize supply chains still further.

The internet revolution also creates new challenges. The Energy and Commerce Committee has been looking at ways to ensure Americans' privacy, and protect consumers' personal information from hackers and those that would seek to do harm. We have also been examining how algorithms can be used to try to persuade or even manipulate people.

At today's hearing I hope our witnesses can help further our understanding of this revolution: how are your companies responding to it, what challenges and opportunities it presents, and most of all, how it can help consumers. I hope you will share with us any ways in which policymakers can remove barriers or promote policies that will further competition and protect consumers.

The internet revolution is radically changing our world. As we continue to examine these issues we will seek to ensure that Americans continue to benefit from the blessings of technology, while keeping a watchful eye out on how we might protect them from harm.

Thank you to all the witnesses for appearing before us today.

Mr. Chairman, I yield back the balance of my time.

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[1]What in the World Is Causing the Retail Meltdown of 2017?, *The Atlantic,* https://www.theatlantic.com/business/archive/2017/04/retail-meltdown-of-2017/522384/, April 10, 2017.